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NOT FOR PROFIT, NOT FOR CHARITY, BUT FOR SERVICE

April 02, 2009

Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Va. 22314-3428

Re: Response ANPR

Ms. Rupp:

Ufirst Federal Credit Union received its charter in 1971, and now serves the population of Clinton County, New York as a Community Chartered Credit Union. As of December 31, 2008 our assets were \$21,614,492, therefore falling into the peer group of under \$50 million. We welcome the opportunity to respond to the Advance Notice of Proposed Rulemaking, allowing us to express our ideas and concerns.

The Role of Corporates In the Credit Union System:

- We need the corporates for what they provide to us as smaller credit unions; payment systems, operational support, investment opportunities as well as liquidity. To remove or constrain any of these areas would seriously hinder the corporate's value to us as a Primary Financial Institution and the cost savings.
- Field of Membership could be addressed by restructuring the corporate based on regions as defined by NCUA. However, credit unions should have the ability to diversify across multiple corporates.
- Regarding the two-tiered system, US Central should become a CUSO/payment center environment.

Corporate Capital:

- A future core capital of 6% would be appropriate and establish risk-based capital requirements. Require access to core service to members who have contributed membership capital shares, term PIC and perpetual PIC.

Permissible Investments:

- Taking into account that the investment needs of corporate and natural person credit unions are vastly different, the corporate investment authority should be realigned to reflect the needs of its members (liquidity); thereby creating the need for a wider range of short-term investments.
- Collateralized debt obligations (CDO's) and net margin securities (NIM's) should not be permissible

Credit Risk Management:

- No comment

Asset Liability Management:

- No comment

Corporate Governance:

- It should be the responsibility of each corporate to determine the qualifications and level of expertise required for Board and Committee members.
- Training should be documented.
- Board members should be from within the credit union movement.

In summation, it is important to note that sixty percent of the membership for Members United Corporate FCU is composed of credit unions under \$50 million in assets; thereby confirming the importance of the corporate credit union system.

Respectfully,



Linda Bourgeois
CEO